

71-4099/1
DD/S 71-3170
11 AUG 1971

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Executive Management Programs--Wives' Week

REFERENCES : (a) Memo dtd 29 Apr 71 to EO-DD/S
fm EA/OTR, same subject

(b) Memo dtd 30 July 71 to A-DD/S
fm ExDir-Compt, re same subject

OGC Has Reviewed

1. This memorandum includes a recommendation in paragraph 6 which requires your consideration.

2. During the course of our discussions of this subject, we searched all known records to determine whether a policy paper existed which provided that at a set point in time (June 1965) the Agency would begin authorizing Actual Subsistence Expenses in lieu of per diem for employees attending the Advanced Management Program at Harvard, during the period of the Wives' Week only. We have not been able to locate such a paper.

3. I have concluded that this practice began in June 1965 following discussions of the problem among the former Executive Officer to the Deputy Director for Support, Director of Finance, and a representative of the Office of General Counsel. This group, recognizing the level of increased cost an employee at Harvard must incur when he brings his wife to Cambridge for Wives' Week and viewing the wife's participation during Wives' Week as advantageous to the Agency from the representational and other standpoints, was unanimous in its view that the period of Wives' Week represented a "portion of the travel where unusual conditions prevailed" which warranted the payment of Actual Subsistence Expenses in lieu of per diem as contemplated in HR [] (see Tab A). In this regard, it should be noted that the Standardized Government Travel Regulations provide for Actual Subsistence Expenses in lieu of per diem and include the same coverage (see Tab B). It should also be noted that Congress was critical of Government agencies for not making greater use of Actual Subsistence Expenses in lieu of per diem in situations where their employees were necessarily having to incur out-of-pocket expenses while in a TDY status (see Tab C).

4. It appears then that no special authority was sought to reimburse the employee Actual Subsistence Expense in lieu of per diem during this period of "unusual conditions" (Wives' Week) since it was the opinion of OGC, EO-DD/S,

Efe. Dir.

and the Director of Finance that no special authority was necessary. During the first 11 weeks of the AMP course, the employee receives the regular per diem and pays for his on-campus lodgings and meals (and incidentally the duplicative off-campus meals he must take to remain a part of the class and "Can" groups) out of his per diem. During the final week of the course, (Wives' Week) he must pay his on-campus lodging and meal costs and in addition rent a hotel room in one of the better hotels in town and incur the extra meal costs involved in socializing with his class and "Can" mates and their wives.

5. If we believe that the Agency as well as the employee accrues a representational benefit from the wives' participation in the AMP Wives' Week, then I believe we must be willing to share the extra expenses involved with the employee, to the extent that authority exists in Regulations governing such reimbursements. In this regard, it should be noted that the employee pays the round-trip transportation of his wife between her home and Harvard, her meal costs, and the inevitable extra clothing she feels she must have for the occasions. Our contribution is limited to reimbursement of his Actual Subsistence Expenses for two sets of quarters and two sets of meals (on-campus and off-campus) not to exceed a set figure per day (currently \$40), for the period that the wife is at Harvard.

6. It is therefore recommended that we continue our practice of approving Actual Subsistence Expenses not to exceed the amount specified in Standardized Government Travel Regulations (currently \$40) in lieu of per diem at Harvard and commence such payments at those other outside-training courses which have a Wives' Week as part of the course, when, and only when, the employee brings his wife to the course for participation in the Wives' Week activities.

/s/ Robert S. Wattles

Robert S. Wattles
Assistant Deputy Director
for Support

3 Atts

CONCUR:



Acting

General Counsel

18 AUG 1971

Date

The recommendation contained in paragraph 6 is approved.

L. K. White

L. K. White

Executive Director-Comptroller

3 SEP 1971

Date

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7. **SUBSISTENCE** expenses include all charges for meals, lodging, personal use of room during daytime, baths, all fees and tips to waiters, porters, baggagemen, bellboys, hotel maids, dining room stewards and others on vessels, hotel servants in foreign countries, telegrams and telephone calls reserving hotel accommodations, laundry, cleaning and pressing of clothing, fans and fires in rooms, transportation between places of lodging or business and places where meals are taken, except as otherwise provided in subparagraph 8s. The term "lodging" does not include accommodations on airplanes, trains, or steamers, and these expenses are not subsistence expenses.

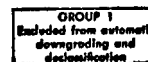
a. ACTUAL SUBSISTENCE

(1) **GENERAL.** A Deputy Director may authorize or approve reimbursement to employees under his jurisdiction for the actual subsistence expenses of specific travel assignments when because of unusual circumstances the maximum per diem is inadequate. This authority, which may not be re-delegated except to a single senior subordinate official, is subject to the following conditions:

- (a) Reimbursement may not exceed \$40 per day for travel within CONUS.
- (b) For travel elsewhere, reimbursement may not exceed the sum of the maximum per diem allowance for the locality plus \$18. This allowance may not be granted concurrently with supplemental per diem authorized under HR

→Revised: 10 May 1971 (613)

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- (c) If travel was performed on a per diem basis and because of unusual circumstances the authorized per diem rate is much less than the actual and necessary subsistence expenses incurred, such expenses may be approved as prescribed above in lieu of the per diem allowance previously authorized.
- (d) When actual subsistence expenses for any day or days in travel status are less than the maximum rates authorized under subparagraphs 7a(1)(a) and (b) above, the employee may be reimbursed only for actual expenses on those days.
- (e) If the travel assignment includes both unusual and normal conditions, subsistence expenses on an actual expense basis may be authorized or approved for only that portion of the travel where the unusual conditions prevail.

TAB

☐ Allowance of actual subsistence expenses.

a. Applicability.--The provisions of this section apply to civilian officers and employees traveling under the Travel Expense Act of 1949, as amended, and to persons traveling under section 5 of the Administrative Expenses Act of 1946, as amended.

b. Authorization and approval.

(1) Authorization or approval shall be limited to specific travel assignments within the limits of the continental United States where due to the unusual circumstances of the assignment the statutory maximum per diem allowance would be much less than the amount required to meet the necessary subsistence expenses of a traveler. (See sec. 6.1.)

(2) Heads of departments and establishments, as defined in the Travel Expense Act of 1949, as amended, shall, in accordance with the provisions set forth in this section, prescribe conditions under which reimbursement may be authorized or approved on an actual expense basis, not to exceed \$25 for each calendar day or fraction thereof in travel status, for the

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actual and necessary subsistence expenses of a traveler on official travel assignment within the limits of the continental United States. Such conditions shall restrict travel on an actual subsistence expense basis to those travel assignments where necessary subsistence costs are unusually high. They should not permit the use of the actual subsistence expense basis where necessary subsistence expenses may exceed the statutory maximum per diem allowance by a small amount. Because hotel accommodations constitute the major part of necessary subsistence expenses, travel on an actual subsistence expense basis might appropriately be authorized or approved for travel assignments which otherwise meet conditions prescribed by the head of the department or establishment where the traveler has no alternative but to incur hotel costs which would absorb all or practically all of the statutory maximum per diem allowance.

(3) Heads of departments and establishments may delegate, with provision for limited redelegation, authority to authorize or approve travel on an actual subsistence expense basis. Such delegation or redelegation should be held to as high an administrative level as practicable in order to insure adequate consideration and review of the circumstances surrounding the need for travel on the actual subsistence expense basis.

(4) Where reimbursement of subsistence expenses on an actual expense basis is authorized, the maximum amount per calendar day or fraction thereof, not in excess of \$25, for the specific travel assignment shall be stated in the travel authorization. However, if actual expenses are less than the maximum stated in the travel authorization, the traveler shall be reimbursed only for actual necessary subsistence expenses. If (a) travel on official business is performed without prior authorization or travel is authorized and performed on a per diem basis, and (b) due to unusual circumstances, the applicable statutory maximum per diem is much less than the actual and necessary subsistence expenses incurred and the specific travel assignment otherwise conforms to the provisions of this section, the actual and necessary subsistence expenses incurred, but not in excess of \$25 per calendar day or fraction thereof, may be approved.

c. Administrative arrangements.--Heads of departments and establishments shall establish necessary administrative arrangements for an appropriate review of (1) the justification for travel on the actual expense basis, and (2) the subsistence expenses claimed by a traveler in order to determine that they are proper subsistence expenses and were necessarily incurred in connection with the specific travel assignment. Departments and agencies are cautioned to see that travel on an actual subsistence expense basis is administered in accordance with the spirit and intent of the law and to take such steps as are necessary to prevent abuses.

d. Leave of absence.

(1) Except as stated below, if the time that leave of absence begins or terminates is within the traveler's prescribed hours of duty, subsistence allowance will terminate or begin at such time. If leave of absence

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does not begin or terminate within the traveler's prescribed hours of duty, the traveler will be regarded as being in subsistence status until midnight of the last day preceding the leave of absence and from 12:01 a. m. of the day following the leave of absence: Provided, That if after such leave of absence the traveler returns to a duty status at the same or different temporary duty station, lodging will be allowed only for the night preceding his first day's leave of absence or the night preceding his return to duty status.

(2) Where for the traveler's personal convenience or through the taking of leave there is interruption of travel or deviation from the direct route, the subsistence allowed will not exceed that which would have been incurred on uninterrupted travel by a usually traveled route. (See secs. 3.2, 3.3, 12.6.)

(3) A traveler will be considered to be in subsistence status on non-work days unless (a) he returns to his official station or place of abode from which he commutes daily to his official station, (b) a nonwork day is immediately preceded and followed by leave of absence, or (c) one or more nonwork days immediately precede and follow a period of absence.

(4) Fractional leave of absence wholly within a day, where for half of the prescribed working hours or less, will be disregarded for subsistence purposes; where it exceeds half of the prescribed working hours, no subsistence will be allowed.

(5) The provisions of section 6.5 applicable to per diem in lieu of subsistence shall also apply to the allowance of subsistence expenses.

e. Return to official station for nonwork days.—At the discretion of the administrative officials a traveler may be required to return to his official station for nonwork days. In cases of voluntary return of a traveler for nonwork days to his official station or his place of abode from which he commutes daily to his official station, the maximum reimbursement allowable for the round trip transportation and actual subsistence en route shall be the necessary subsistence expense which would have been allowable had the traveler remained at his temporary duty station.

f. Itemization of, and receipt for, expenses.—Actual and necessary subsistence expenses incurred on a travel assignment for which reimbursement is claimed by a traveler must be itemized in a manner prescribed by the heads of departments and establishments which will permit at least a review of the amounts spent daily for (1) lodging, (2) meals, and (3) all other items of subsistence expenses. Receipts shall be required at least for lodging.

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

November 10, 1969

CIRCULAR NO. A-7

Revised

Transmittal Memorandum No. 9

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Standardized Government Travel Regulations

1. Purpose. This Transmittal Memorandum amends section 6.2b(1) and section 6.12b(1) of the Standardized Government Travel Regulations to give effect to P. L. 91-114, enacted November 10, 1969. That Act increased the maximum per diem rate for travel within the limits of the "continental United States" (the 48 contiguous States and the District of Columbia), and also the maximum per diem which may be allowed within the continental United States, and elsewhere, whenever the actual expense method of reimbursing for travel has been authorized by the heads of departments and establishments because of unusual circumstances.

2. Amendments. Section 6.2b(1) of the Standardized Government Travel Regulations is amended by substituting the amount of \$25 for the amount of \$16; and section 6.12b(1) is amended by substituting (a) the amount of \$40 for \$30, and (b) the amount of \$18 for \$10.

3. Administrative control. As provided in the Regulations, the \$25 amount is the maximum per diem which may be authorized for travel within the continental United States, and the amount of \$40, and the amount of \$18 plus the applicable per diem rate, are ceilings beyond which daily actual expenses (when such method is justified and authorized) may not be reimbursed.

As set forth in the Regulations, it is the responsibility of each department and agency to authorize only such per diem allowances as are justified by the circumstances affecting the travel. Care should be exercised to prevent fixing per diem rates in excess of those required to meet the necessary authorized subsistence expenses. To this end, consideration should be given to factors such as known arrangements at temporary duty locations where lodging and meals may be obtained without cost or at prices advantageous to the traveler; established cost experience in the localities where lodging and meals will be required; situations where special rates for accommodations have been made available for a particular meeting or conference; the extent to which the traveler is familiar with establishments providing lodging and meals at a lower cost in certain localities, particularly where repeated travel is involved; the mode of travel where sleeping accommodations may be provided as part of the

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transportation expense; and travel assignments involving duty for extended periods at temporary duty stations where travelers may be afforded an opportunity to secure less expensive lodging and meals.

In the interest of uniform treatment of employees, whenever a meeting or conference is arranged which will involve the travel of attendees from other agencies or components of the same agency, the agency or agencies sponsoring the meeting or conference are requested to recommend to the other participating agencies or components a uniform rate of per diem allowance that would be reasonable in view of the circumstances of the particular meeting or conference.

As provided in the Regulations, travel authorizations on an actual expense basis will be limited to specific travel assignments where, due to the unusual circumstances of the assignment, the maximum per diem allowance would be much less than the amount required to meet the necessary subsistence expenses of a traveler.

4. Effective date. These amendments are effective November 10, 1969.

ROBERT P. MAYO
Director

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LEGISLATIVE HISTORY

supported by Senator B. Everett Jordan, chairman of the Committee on Rules and Administration, in a letter urging favorable committee consideration of increased per diem allowances for Federal employees.

The increase in maximum actual expenses is believed necessary to cover those relatively rare situations in which Senate Members and employees are required to travel on official business in areas where travel costs are so high that the maximum per diem is palpably insufficient to reimburse their actual expenses. In this connection, it should be noted that existing law permits payment of actual expenses only if approved in advance by the Committee on Rules and Administration, in accordance with its prescribed rules and regulations. Furthermore, during the past 13 months, this authority has been granted on only six occasions, and utilized only five times.

CONCLUSIONS

The committee has been advised by the Bureau of the Budget that official Government travel by Federal employees totals an estimated 9 million man-days each year. Although official travel is necessary to the conduct of Government business, it is exceedingly costly, both to the traveler and the Government. In view of strong pressures for economy and the reduction of Government expenditures, the committee urges that a determined and concerted effort be made by all Federal departments and agencies to limit official travel to the minimum consistent with the effective and efficient conduct of Government business. The committee desires to make it clear, however, that when Federal employees travel on official Government business, they should not be either expected or required to suffer personal financial losses.

We are in a period of high prices and rising costs which has been recognized by the Congress in the form of a series of pay raises designed to achieve comparability with private enterprise and maintain the integrity of Federal employees. Thus, although necessary steps have been taken to enable Government employees to meet their personal ever-increasing costs of living, nothing has been done, since 1961, to enable the Government to meet its obligations to those of its employees who are required to travel in the course of the transaction of the Government's business.

Following a careful analysis of available statistics relative to travel costs, the committee has concluded that a maximum per diem of \$25 is fair and equitable under current economic conditions in the United States. In this connection, the committee calls attention to the fact that a statutory device provided for by the Congress to assist Federal employees in defraying necessary travel expenses has been virtually ignored. Since 1955, the Congress has authorized department and agency heads to reimburse Federal employees, under regulations prescribed by the Director of the Bureau of the Budget, for actual and necessary expenses, not to exceed a specified amount, "when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment." Originally established at \$25 per day, and increased to \$30, in 1961, the maximum allowance for actual expenses was increased by the committee to \$40 per day, on the recommendation of the Bureau

FEDERAL EMPLOYEES—PER DIEM

of the Budget. Despite the fact that this authority has existed for 14 years, and annual travel involves some 9 million man-days, the committee has learned that only about \$150,000 is approved for this purpose annually.

The committee firmly believes that the increased use of authority to pay reimbursement for actual expenses in proper cases would result in the correction of existing inequities. It appears that the paperwork and administrative details now required for the authorization of actual expenses have played a role in discouraging its use. Accordingly, the committee urges the Bureau of the Budget and agency heads to make use of this method of reimbursement for actual travel expenses, when needed, subject, of course, to the exercise of prudence and good judgment.

The committee again desires to emphasize the fact that the increased travel allowances which are provided for by H.R. 337, as amended, are *maximum* rates, to be used by agency heads with care and discretion. Although every effort must be made to insure fair and equitable handling of travel allowances, agency heads are expected to exercise vigilance in guarding against abuses.

No per diem is included in this bill for Senators' staff members who are required to return to their respective States and remain there on official business. Per diem in lieu of subsistence is normally paid to Government employees when away from home on official business. However, when a Member of Congress returns to his district or State and directs a member of his staff to accompany him, or return to his State office for official business, no per diem is paid to such employees from the time of arrival until his departure. In view of the financial strain which is placed on such employees who are required to support their family in Washington and maintain temporary residence away from home, some reimbursement, or tax credit should be allowed for such expenses.

The committee does not favor payment of per diem for all employees who may be needed in each State for the conduct of congressional business, but it would appear that some credit or tax deduction should be permitted for part or all of such expenses.

Legislative jurisdiction over this matter is vested in another committee of the Senate and for this reason no amendment was proposed to H.R. 337. However, the committee strongly recommends that the appropriate committee consider providing some tax or other relief to congressional employees who are required to remain in their Members' State or district at their own expense for the conduct of official business.

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ACTION		DIRECT REPLY	PREPARE REPLY
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CONCURRENCE		INFORMATION	SIGNATURE

Remarks:

With Bob Wattles' understanding,
the attached is provided for review
and advice to the Executive Director.

1-2 I concur in attached
proposal.

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FROM: NAME, ADDRESS AND PHONE NO.		DATE	
O/Executive Director		59	19 Aug 71
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FORM NO. 1-67 237 Use previous editions

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Executive Management Programs--Wives' Week

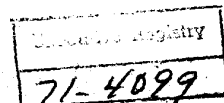
FROM: Assistant Deputy Director for Support		EXTENSION 5767	NO. DATE 11 AUG 1971
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS
	RECEIVED	FORWARDED	
1. General Counsel 7D-01 Hqs.	8/11/71	8/18/71	This seems perfectly reasonable but let us not get started down roads like this without proper written policy approval in advance.
2. Assistant Deputy Director for Support 7D-18 Hqs.	18 AUG 1971		
3. Executive Director-Comptroller 7E-12 Hqs.	3 SEP 1971		
4. Assistant Deputy Director for Support 7D-18 Hqs.			
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30 July 1971

MEMORANDUM FOR: Acting Deputy Director for Support

Bob:

I understand that for some time now DD/S has been paying travel and related expenses for wives to attend "Wives Week" at the Advanced Management Program at Harvard. I also understand that you are now proposing to expand this practice in order to include those Agency officials who are attending a number of other similar management programs.

It seems reasonable to assume that one is as justified as the other and that people attending training programs other than management programs might lay equal claim to similar treatment. I shall be glad to entertain any policy proposals on this matter which you might have. In the meantime, please discontinue this practice at as well as at any other places where it may now exist.

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/s/ L. K. White

L. K. White

ExDir:LKW:jrf

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